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## Denmark

## Livestock and Products

## Semi-Annual Report

2005

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**Report Highlights:**

EU CAP reform implementation will have short-term implications for cattle slaughter around New Year 2005, but no long-term effect. Cattle slaughter will decrease and pig slaughter will increase in 2005, while pork exports to non-EU countries are expected to rise.

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Includes PSD Changes: Yes  
Includes Trade Matrix: No  
Unscheduled Report  
The Hague [NL1]  
[DA]

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## Cattle

## Denmark

## Cattle

	2003 Post old	2003 Post new	2004 Post old	2004 Post new	2005 Post old	2005 Post new
Total Cattle Beginning Stocks	1740	1740	1681	1681	1585	1600
Dairy Cows Beginning Stocks	613	613	589	589	575	565
Beef Cows Beginning Stocks	113	113	109	109	105	107
Production (calf crop)	672	672	655	656	612	630
Imports from extra EU-25	0	0	0	0	0	0
<b>TOTAL SUPPLY</b>	<b>2412</b>	<b>2412</b>	<b>2336</b>	<b>2337</b>	<b>2197</b>	<b>2230</b>
Exports to extra EU-25	1	1	1	1	1	0
Cow Slaughter	0	0	0	0	0	0
Calf Slaughter	7	7	7	6	7	6
<b>TOTAL Slaughter</b>	<b>594</b>	<b>594</b>	<b>622</b>	<b>607</b>	<b>550</b>	<b>559</b>
Loss	101	101	98	98	92	95
Ending Inventories	1681	1681	1585	1600	1525	1550
<b>TOTAL DISTRIBUTION</b>	<b>2276</b>	<b>2276</b>	<b>2208</b>	<b>2208</b>	<b>2076</b>	<b>2109</b>

The EU CAP Reform will be implemented in Denmark effective January 1, 2005. As of that date EU support will be decoupled, except for reduced support for production of steers (75 percent of original support), ewes, protein and energy crops, and dried feed. The remainder of support received by the farmers will now be distributed according to production area.

Up to January 1, 2005, farmers received a slaughter premium of DKK 1,563 (Euro 214) for each steer at least 9 months old and with a weight of at least 185 kg. With only seventy-five percent of this amount [DKK 1,172] payable on steers slaughtered after January 1, expectations were that slaughter would rise sharply at the end of 2004, in order for the farmers to secure the higher premium. To ease the pressure on the slaughterhouses and to ease market conditions, a transition period of 8 weeks (to February 27, 2005) has been announced. During this period, farmers will receive the higher premium if the animals were at least 9 months old by the end of 2004.

Slaughter premiums for females (minimum 8 months old), were set at DKK 595 (Euro 80) and were eliminated as of January 1, 2005. The abolition of this premium may have led to increased dairy cow slaughter in late 2004.

The effects of the EU reform have thus resulted in an increased slaughter in 2004, especially when compared to the long-term, decreasing, trend. The large slaughter numbers in 2004 will result in reduced 2005 slaughter, and it is expected that subsequent slaughter will return to its long-term trend of gradual decline.

The fact that The Netherlands opted to maintain coupling of slaughter premiums for calves will result in increased exports of live calves to this country in 2005 and beyond.

## Meat, Beef and Veal

## Denmark

## Meat, Beef and Veal

	2003 Post old	2003 Post new	2004 Post old	2004 Post new	2005 Post old	2005 Post new
Beginning Stocks	0	0	0	0	0	0
Production	148	148	154	150	138	139
Slaughter (Reference)	594	594	622	607	550	559
Imports from extra EU-25	1	1	4	3	4	4
<b>TOTAL SUPPLY</b>	<b>149</b>	<b>149</b>	<b>158</b>	<b>153</b>	<b>142</b>	<b>143</b>
Exports to extra EU-25	14	9	14	7	14	7
Human Dom. Consumption	156	156	158	159	156	159
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	156	156	158	159	156	159
Ending Stocks	0	0	0	0	0	0
<b>TOTAL DISTRIBUTION</b>	<b>170</b>	<b>165</b>	<b>172</b>	<b>166</b>	<b>170</b>	<b>166</b>

The above-mentioned changes in the EU support schemes affecting slaughter are reflected in the meat production.

Reduced exports to non-EU countries are mainly caused by reduced sales to Russia. January to September exports to non-EU destinations of 5,300 tons were supported by EU export restitutions of DKK 27.9 million (Euro 3.8 million), unchanged from the previous year.

## Swine

## Denmark

Swine (hogs)

	2003 Post old	2003 Post new	2004 Post old	2004 Post new	2005 Post old	2005 Post new
Total Swine Beginning Stocks	12878	12878	13005	12961	13300	13000
Sows Beginning Stocks	1141	1141	1165	1165	1180	1145
Production (pig crop)	26793	25660	27600	26200	28100	26750
Imports from extra EU-25	0	0	0	0	0	0
<b>TOTAL SUPPLY</b>	<b>39671</b>	<b>38538</b>	<b>40605</b>	<b>39161</b>	<b>41400</b>	<b>39750</b>
Exports to extra EU-25	5	3	6	3	5	3
Sow Slaughter	439	439	435	448	440	450
TOTAL Slaughter	24433	22618	24700	23070	25000	23500
Loss	117	117	120	120	120	120
Ending Inventories	13005	12961	13300	13000	13500	13500
<b>TOTAL DISTRIBUTION</b>	<b>37443</b>	<b>35582</b>	<b>38006</b>	<b>36073</b>	<b>38505</b>	<b>37003</b>

Prices paid to pig producers during the first half of 2004 were the lowest since 1999. In spite of some recovery during the second half of 2004, overall production has only increased by 0.5 percent. Uncertainty about future competition from other countries (especially non-EU countries and Poland) and the rising Euro: dollar exchange rate has hampered herd expansion. Danish producers who are looking to expand have established large production operations in Poland and are now looking towards Russia and Ukraine.

During recent slaughterhouse strikes, Danish slaughterers began exporting live pigs for slaughter in Germany. At the same time, larger Danish producers have become more likely to ship their pigs to Germany, if prices dictate. As a result, Danish exports of live pigs increased the first 10 months of 2004 by 10 percent (or 173,087) to 1,842,917. This increase was due mainly to increased exports to Germany, which for the period January to October increased from 95,900 in 2003 to 205,800 in 2004.

In order to improve production conditions in Denmark, Parliament is now proposing a shift from a strict manure control regime, which limits the number of hogs on an area basis, to a more nuanced system, which evaluates the effect of hog numbers on the environment. This means, that pig producers who invest in more advanced manure-handling technologies, which would reduce the impact on the environment, might then be allowed larger pig production quotas.

**Meat, Pork****Denmark**

Meat, Pork (pig meat)

	2003 Post old	2003 Post new	2004 Post old	2004 Post new	2005 Post old	2005 Post new
Beginning Stocks	23	23	0	0	0	0
Production	1998	1757	1920	1800	1940	1835
Slaughter (Reference)	24433	22618	24720	23070	25000	23500
Imports from extra EU-25	0	0	0	0	0	0
<b>TOTAL SUPPLY</b>	<b>2021</b>	<b>1780</b>	<b>1920</b>	<b>1800</b>	<b>1940</b>	<b>1835</b>
Exports to extra EU-25	436	436	475	490	500	500
Human Dom. Consumption	315	315	315	320	450	320
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	315	315	315	320	315	320
Ending Stocks	0	0	0	0	0	0
<b>TOTAL DISTRIBUTION</b>	<b>751</b>	<b>751</b>	<b>790</b>	<b>810</b>	<b>815</b>	<b>820</b>

January to September export figures indicate that intra-EU exports fell by 1 percent and increased by 36,800 tons to non-EU countries (from 348,500 tons in 2003 to 385,300 tons in 2004). Among non-EU buyers, Japan accounted for 32,300 tons of that increase, with total January to September exports of 223,300 tons in 2004. Exports to Russia and U.S. decreased slightly (about 10 percent each) while exports to China increased by 6,900 tons to 35,800 tons during January to September 2004.

According to Japanese pork import figures, Japan imported 245,000 tons of pork from Denmark during January to November 2004, compared to 202,000 tons during the same period in 2003.

Denmark's January to September pork exports to non-EU destinations were supported by DKK 98 million (Euro 13.2 million) in EU export restitutions compared to DKK 200,000 (Euro 27,000) in 2003.